

RESOLUTION GRANTING THIRD ROUND SUBSTANTIVE CERTIFICATION #50-09

Somerdale Borough, Camden County

WHEREAS, on December 29, 2008, Somerdale Borough, Camden County, petitioned the Council on Affordable Housing (COAH) for substantive certification of a Housing Element and Fair Share Plan addressing its total 1987-2018 affordable housing obligation; and

WHEREAS, pursuant to N.J.S.A. 52:27D-313 and N.J.A.C. 5:96-3.5, on March 9, 2009, the Borough published notice of its petition in the Courier Post, which is a newspaper of general circulation within the county; and

WHEREAS, COAH received no objections to the plan during the 45-day objection period, which ended May 13, 2009; and

WHEREAS, the Borough's fair share plan addresses a total 1987-2018 affordable housing obligation of 68 units, consisting of a 16-unit rehabilitation share, 95-unit prior round obligation consisting of a four-unit Realistic Development Potential (RDP) and 91-unit unmet need and a 48-unit projected growth share obligation pursuant to N.J.A.C. 5:97; and

WHEREAS, COAH staff has reviewed the Borough's Housing Element and Fair Share Plan, which is incorporated by reference herein; and

WHEREAS, the Borough proposes to address its 16-unit rehabilitation share with 10 rehabilitation credits and six units to be completed through the Camden County Community Development Program; and

WHEREAS, the Borough proposes to address its four-unit RDP with three units and one rentals bonus at Gateway Village, which is a 30-unit, 100% affordable family rental development being constructed by Community Investment Strategies, Inc. (CIS); and

WHEREAS, Somerdale proposes to address its 91-unit unmet need through a development fee ordinance and overlay zoning on two sites; and

WHEREAS, the borough proposes to adopt an ordinance which will permit mixed use development with retail on the first floor and affordable family rentals above with no more than 10 units, all affordable, allowed at block 10/Lots 9 and 10 and require a 20 percent set aside from development resulting from demolition and/or reconstruction of the existing structures on block 120/Lot 1; and

WHEREAS, Somerdale proposes to address a portion of its 48-unit projected growth share obligation with 27 credits and 12 rental bonuses from the CIS family rental development; and

WHEREAS, Somerdale proposes to address its remaining projected growth share obligation of nine units with three three-bedroom group homes; and

WHEREAS, pursuant to N.J.A.C. 5:97-3.2(a)4, Somerdale has provided an implementation schedule for the group homes that set forth a detailed timetable that demonstrates a realistic opportunity as defined under N.J.A.C. 5:97-1.4 and a timetable for the submittal of all information and documentation required by N.J.A.C. 5:97-6.10; and

WHEREAS, pursuant to N.J.A.C. 5:96-6.2(a)2, on October 27, 2009, COAH issued a Compliance Report (attached as Exhibit A and incorporated by reference herein) recommending approval of the Borough's petition for third round substantive certification; and

WHEREAS, there was a 14-day period to submit comments to the COAH Compliance Report pursuant to N.J.A.C. 5:96-6.2(b) and COAH received no comments.

NOW THEREFORE BE IT RESOLVED that the Council finds that the Housing Element and Fair Share Plan submitted by the Borough of Somerdale comports to the standards set forth at N.J.S.A. 52:27D-314 and meets the criteria for third round substantive certification pursuant to N.J.A.C. 5:96-6.3; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:97-4.1(d), COAH staff will verify and validate all credits during monitoring subsequent to substantive certification pursuant to N.J.A.C. 5:96-11; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:96-6.2(a), after having reviewed and considered all of the above, COAH hereby grants third round substantive certification to the Borough of Somerdale; and

BE IT FURTHER RESOLVED that after receiving final substantive certification, pursuant to N.J.A.C. 5:96-6.3(e), the Borough shall adopt all implementing Fair Share Ordinances within 45 days of this grant of substantive certification; and

BE IT FURTHER RESOLVED that if the Borough fails to timely adopt its Fair Share Ordinances, COAH's grant of substantive certification shall be void and of no force and effect; and

BE IT FURTHER RESOLVED that Somerdale shall submit all Fair Share Ordinances to COAH upon adoption; and

BE IT FURTHER RESOLVED that Somerdale shall comply with COAH monitoring requirements as set forth in N.J.A.C. 5:96-11, including reporting Somerdale's actual growth pursuant to N.J.A.C. 5:97-2.5; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:96-10.1, COAH shall conduct biennial plan evaluations upon substantive certification of Somerdale's Housing Element and Fair Share Plan to verify that the construction or provision of affordable housing has been in proportion to the actual residential growth and employment growth in the municipality and to determine that the mechanisms addressing the projected growth share obligation continue to present a realistic opportunity for the creation of affordable housing; and

BE IT FURTHER RESOLVED that if upon any biennial review the difference between the number of affordable units constructed or provided in Somerdale and the number of units

required pursuant to N.J.A.C. 5:97-2.5 results in a prorated production shortage of 10 percent or greater, the Borough is not adhering to its implementation schedule pursuant to N.J.A.C. 5:97-3.2(a)4 or the mechanisms addressing the projected growth share obligation no longer present a realistic opportunity for the creation of affordable housing, then the Council may direct the municipality to amend its plan to address the shortfall; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:97-2.5(e), if the actual growth share obligation determined is less than the projected growth share obligation, Somerdale shall continue to provide a realistic opportunity for affordable housing to address the projected growth share; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:96-6.3(b), Somerdale's substantive certification shall remain in effect until December 29, 2018; and

BE IT FURTHER RESOLVED that any changes to the facts upon which this substantive certification is based or any deviations from the terms and conditions of this substantive certification which affect the ability of the Borough to provide for the realistic opportunity of its fair share of low- and moderate-income housing and which the Borough fails to remedy, may render this certification null and void.

I hereby certify that this resolution was
duly adopted by the Council on Affordable
Housing at its public meeting on November 12, 2009

A handwritten signature in cursive script, reading "Reneé Reiss". The signature is written in black ink and is positioned above the printed name and title.

Reneé Reiss, Secretary
Council on Affordable Housing



***Council on Affordable Housing
Compliance Report
October 27, 2009***



Municipality: Somerdale Borough
County: Camden County

COAH Region: # 5
Planning Area: PA 1
Special Resource Area: N/A

Housing Element and Fair Share Plan Adopted: November 26, 2008
Petition for 3rd Round Substantive Certification: December 29, 2008
Completeness Determination: February 25, 2009
Date of Publication: March 9, 2009 (Courier Post and Vineland Daily Journal)

Objections Received: No

Petition Includes:
VLA: Yes
GPA: No
Waiver: No **Section:** N/A

Date of Site Visit: September 1, 2009

| History of Approvals: | COAH | JOC | N/A |
|--------------------------------|-------------|------------|------------|
| First Round: | | | X |
| Second Round: | | | X |
| Extended Certification: | | | X |

Plan Preparer: Shirley Bishop, P.P.

Municipal Housing Liaison: Victor Cantillo

Recommendation: Grant substantive certification

SUMMARY OF FAIR SHARE OBLIGATION

| | |
|--|----|
| Rehabilitation Share | 16 |
| Prior Round Realistic Development Potential (RDP) (Unmet Need of 91) | 4 |
| Projected Growth Share Obligation | 48 |

ACTUAL GROWTH and GROWTH SHARE through September, 2008¹

| Res Units (#) | Actual Res Growth Share | Jobs (#) | Actual Non-Res Growth Share | Actual TOTAL Growth Share |
|----------------------|--------------------------------|-----------------|------------------------------------|----------------------------------|
| 14 | 3 units | 21 | 1 units | 4 units |

COMPLIANCE PLAN SUMMARY

| Obligation | Credit/ Mechanism Type | # Units Completed | # Units Proposed | TOTAL |
|---|-----------------------------------|--------------------------|-------------------------|--------------|
| Rehabilitation: 16 units | | | | |
| Credits | Post-April 1, 2000 | 10 | | 10 |
| Program | County/Municipal | | 6 | 6 |
| Rehabilitation Subtotal | | | | 16 |
| NEW CONSTRUCTION: | | | | |
| Prior Round Realistic Development Potential: 4 units | | | | |
| Proposed Mechanism | 100% Affordable | | 3 | 3 |
| Prior Round Bonuses | Rental | | 1 | 1 |
| Prior Round Subtotal | | | | 4 |
| Growth Share: 48 units | | | | |
| Proposed Mechanism | 100% affordable rentals | | 27 | 27 |
| | Supportive/special needs housing | | 9 | 9 |
| Growth Share Bonuses | Rental | | 12 | 12 |
| Growth Share Subtotal | | | | 48 |

¹ This growth share number does not take into account allowable exclusions permitted under N.J.A.C. 5:97-2.4; therefore, the actual growth share may vary.

I. HOUSING ELEMENT

Pursuant to N.J.S.A. 40:55D-28(b), the Housing Element is a required section of the Municipal Master Plan. The Housing Element must be designed to achieve the goal of access to affordable housing to meet existing and future housing needs, with special attention given to low- and moderate-income households. The housing needs analysis must include demographic information on existing and projected housing stock and employment characteristics, a quantification of low- and moderate-income housing need, and a consideration of the lands within the municipality that are most appropriate to accommodate such housing. Somerdale's Housing Element includes sufficient information regarding housing stock, demographic and employment characteristics and population trends pursuant to N.J.S.A. 52:27D-310.

Under N.J.A.C. 5:97-2.1(b), the Housing Element must also set forth the municipality's affordable housing fair share obligation, which is the sum of the rehabilitation share, the prior round obligation and the growth share.

A. Rehabilitation Share

The rehabilitation share is the number of existing housing units within a municipality as of April 1, 2000, that are both deficient and occupied by households of low or moderate income. As indicated in Appendix B of N.J.A.C. 5:97, Somerdale has a rehabilitation share of 16 units.

B. Prior Round Obligation

The prior round obligation is the cumulative 1987-1999 new construction obligation provided in Appendix C of N.J.A.C. 5:97. Somerdale has a prior round obligation of 95. However, in a December 5, 2005 Report Requesting Additional Information, COAH found that Somerdale was entitled to a vacant land adjustment that resulted in a reduced new construction obligation or Realistic Development Potential (RDP) of 18 and an unmet need of 79.² In the Borough's December 2008 petition, Somerdale requested another reduction in its RDP to four units. The Borough retained

² Somerdale's prior round obligation under N.J.A.C. 5:94 was 97, therefore the unmet need was 79 (97 – 18 = 79).

the 3-unit RDP assigned to the Costello tract (Block 81.01/Lots 4-6 on Hunt Avenue), and added a one-unit RDP for a property that became vacant since the 2005 vacant land analysis (Block 41/Lot 1.03, a .5739 parcel at 601 Kennedy Boulevard owned by JMK Investment Co., Inc.). The Borough deleted from the list of properties potentially able to accommodate affordable housing, two parcels totaling 9.23 acres owned by JMK Investment (Block 1/Lots 17 and 18, formerly owned by National Realty Property c/o JMK Investment). In the December 2005 RRAI, COAH staff estimated that the JMK parcels had a total RDP of 12. These parcels now have final approvals from the Somerdale Planning Board for a development consisting of commercial and residential uses. There is no affordable housing component within the approved development. As such, the development will generate a growth share obligation. The approvals, however, remove this site from the vacant land inventory and reduce the RDP by 12 units.

Somerdale further requested that COAH reconsider its 2005 finding that two sites totaling 1.0 acre and 1.7 acres, respectively (Block 123/Lot 4.01 and Block 140/Lots 1-3, 4.04, 4.05 and 9-12) should be included in the RDP calculation. Subsequent to an October 2, 2009 site visit, COAH staff determined that the two sites possess characteristics, such as presence of wetlands and steep slopes that merit their exclusion from the RDP calculation. The result is that COAH staff finds that Somerdale's adjusted RDP is four units resulting in an unmet need of 91 units.

C. Projected Growth Share

The projected growth share is initially calculated based on household (residential) and employment (non-residential) 2004-2018 projections. Pursuant to Appendix F of N.J.A.C. 5:97, Somerdale has a residential projection of 70 units and a non-residential projection of 546 jobs, which results in an initial projected growth share obligation of 48 affordable units. Somerdale's total projected growth share for the period 1999-2018 is 48 affordable units consisting of a 14-unit projected residential growth share and a 34-unit

projected non-residential growth share.³

SUMMARY OF FAIR SHARE OBLIGATION

| | |
|---|----|
| Rehabilitation Share | 16 |
| Prior Round Realistic Development Potential (Unmet Need of 91) | 4 |
| Projected Growth Share Obligation | 48 |

II. FAIR SHARE PLAN

A Fair Share Plan, as required under N.J.A.C. 5:97-3.1, describes the completed or proposed mechanisms and funding sources, if applicable, that will be utilized to specifically address a municipality's rehabilitation share, prior round obligation, and growth share obligation and includes the draft ordinances necessary to implement that plan. Affordable housing must be provided in direct proportion to the growth share obligation generated by the actual growth.

Somerdale's Fair Share Plan and the supporting documentation incorporated by reference therein address the requirements of N.J.A.C. 5:97-3.1 as follows:

Rehabilitation Share Credits

Somerdale has provided information for 15 units rehabilitated subsequent to April 1, 2000. The Borough stated, however, that five units are not eligible for rehabilitation credit because funds were recaptured prior to the requisite control period. In accordance with N.J.A.C. 5:97-4.1(d), COAH staff will verify and validate all credits during monitoring subsequent to substantive certification pursuant to N.J.A.C. 5:96-11.

³ Pursuant to N.J.A.C. 5:97-2.2(d), Somerdale's residential projection of 70 is divided by 5 to yield 14 units and the non-residential projection of 546 jobs is divided by 16 to yield 34 units. Somerdale's total projected growth share is therefore 48 units (res 14 + non-res 34).

Rehabilitation Credits

| Rehabilitation Program | # Credits |
|-------------------------------|------------------|
| Camden County Rehab Program | 10 |
| TOTAL | 10 |

Proposed Rehabilitation Program(s)

Camden County Rehabilitation Program

Somerdale will rely on the Camden County Rehabilitation Program to address the six remaining units of its rehabilitation obligation. The Borough has provided a schedule for the rehabilitation of these units that states that it will rehabilitate approximately one unit each year over the ten-year period. Somerdale has not included any appropriations for the program in the spending plan. The plan states, however, that the Borough will provide funding from the affordable housing trust fund if necessary to supplement the County's CDBG or HOME program funds. On February 12, 2009, Somerdale adopted a resolution of intent to bond in the event of a shortfall in funding the rehabilitation program. All rehabilitated units have life liens in Somerdale.

The Camden County program is currently open only to owner-occupied units and N.J.A.C. 5:97-6.2(b)6 requires that all rehabilitation programs must be available to rental properties. The Borough has stated that it will work with Camden County with the goal of the County incorporating a rental component into its rehabilitation program. Camden County is currently carrying out a pilot program in Berlin Township that addresses the rehabilitation of rental units. If successful, the County plans to make this program available to additional municipalities. In the event that Somerdale is not able to participate in this expanded program, the Borough must propose a program that satisfies the rental rehabilitation obligation.

Proposed Rehabilitation Program

| Rehabilitation Program | # Units |
|-------------------------------|----------------|
| Camden County Rehab Program | 6 |
| TOTAL | 6 |

A. Plan to Address Prior Round Obligation

Unmet Need

Somerdale is addressing a portion of the Prior Round Unmet Need with a development fee ordinance and an overlay zone. The Borough proposes overlay zoning on block 10/lots 9 and 10 and on block 120/lot 1. The Borough's draft ordinance permits mixed use development with retail on the first floor and affordable family rentals above with no more than 10 units, all affordable, allowed at block 10/Lots 9 and 10. The Borough's ordinance also requires a 20 percent set aside from development resulting from demolition and/or reconstruction of the existing structures on block 120/Lot 1.

As required under N.J.A.C. 5:97-5.3(b), COAH has reviewed Somerdale's existing land use map and inventory for areas that may develop or redevelop and has determined that it is not necessary at this time to require additional mechanisms to address the Unmet Need. The existing and proposed mechanisms present a realistic opportunity for the production of affordable housing.

Prior Round Obligation Credits

Somerdale's Housing Element and Fair Share Plan does not include any prior round obligation credits.

Proposed Affordable Housing Mechanisms

Somerdale proposes to address the 4-unit RDP with the following mechanism:

Gateway Village

Somerdale proposes to address its 4-unit RDP with three units and one rental bonus from the Gateway Village development. Gateway Village is a 30-unit, 100% affordable family rental development which Community Investment Strategies, Inc. (CIS) will build on 1.07 acres at the Lions Head Plaza site. A tri-party agreement among Somerdale Realty, Inc., CIS and the Borough stipulates that Somerdale Realty aka JMK Investment Company will donate the Gateway Village project site to the Borough, and the Borough will in turn transfer ownership to CIS for the development of the 30 affordable units. The agreement also requires that the units have thirty-year affordability controls.

All of Somerdale is located in Planning Area 1 as designated in the State Development and Redevelopment Plan. There are no constraints to development of the site. The entire Borough has public water (New Jersey American Water Company) and sewer service (Camden County Municipal Utilities Authority). Both parties have indicated that there will be service available for the project.

The previous zoning on the site was I-Industrial. In 2006, the Borough adopted a PCRD-Planned Commercial Residential Development overlay zone for the entire Lions Head Plaza site. Gateway Village received preliminary approval under the PCRD ordinance in April 4, 2007. CIS received nine percent Low Income Tax Credits (HMFA approval of March 20, 2008) as well as additional public funding for the project. Borough officials indicate that construction will begin in the fall of 2009 with occupancy expected in late 2010. The Borough has submitted a construction schedule and proforma for the development. On February 12, 2009, the Borough passed a resolution of intent to bond in the event of a shortfall of funds for the project.

Proposed Prior Round Affordable Housing Mechanisms

| Type/Name of Affordable Housing Mechanism | Type of Affordable Unit | # Units/Bedrooms | Bonus Type | # Bonuses | Total Units/Bedrooms + Bonuses |
|---|-------------------------|------------------|------------|-----------|--------------------------------|
| Gateway Village | Family rental | 3 | Rental | 1 | 4 |
| TOTALS | | 3 | | 1 | 4 |

Prior Round Obligation Parameters

Somerdale has satisfied the applicable Prior Round parameters as follows:

Prior Round Rental Obligation:⁴ 1 Unit

| Development/Project Name | Type of Affordable Unit | # Units |
|--------------------------|-------------------------|----------|
| Gateway Village | Family rental | 3 |
| TOTAL | | 3 |

Prior Round Rental Bonus Maximum⁵ : 1 Unit

| Development/Project Name | Type of Bonus | # Bonuses |
|--------------------------|---------------|-----------|
| Gateway Village | Rental | 1 |
| TOTAL | | 1 |

⁴ Rental Obligation: .25 (RDP) or .25(7) = 1.75 or 2 units N.J.A.C. 5:97-3.11(b)

⁵ No rental bonuses shall be granted for rental units in excess of the prior round rental obligation, therefore, PR Rental Bonus Maximum = PR Rental Obligation

B. Plan to Address Projected Growth Share

Growth Share Obligation Credits

Somerdale's Housing Element and Fair Share Plan does not include any growth share obligation credits.

Proposed Affordable Housing Mechanisms

Somerdale proposes to address its 48-unit growth share obligation through the following mechanisms:

Gateway Village

Somerdale will address a portion of its growth share obligation with the remaining 27 units and 12 rental bonuses from Gateway Village. See the discussion in the Prior Round Obligation Section for a description of the development.

Supportive/Special Needs Housing

Somerdale proposes to address the remaining nine units of its growth share obligation through the provisions of three three-bedroom group homes. The Borough will designate two bedrooms/units for very low-income individuals. During 2013, Somerdale intends to enter into an agreement with an experienced group home provider that will convert three existing for-sale homes into three group homes containing a total of nine bedrooms. The Borough will provide up to \$50,000 per bedroom for the acquisition of the homes. The Borough anticipates occupancy of the homes by 2016.

Pursuant to N.J.A.C. 5:97-3.2(a)4, Somerdale has provided an implementation schedule that sets forth a detailed timetable that demonstrates a realistic opportunity as defined under N.J.A.C. 5:97-1.4 and a timetable for the submittal of all information and documentation required by N.J.A.C. 5:97-6.10. The Borough's mechanism checklist form includes a timetable for each step of the development process in accordance with N.J.A.C. 5:97-6.10(e), with construction/rehabilitation occurring during 2014-2016,

requiring that supporting documentation be submitted to COAH in 2012, two years before construction begins. **[Nine supportive/special needs bedrooms/units]**

Proposed Growth Share Affordable Housing Mechanisms

| Type/Name of Affordable Housing Mechanism | Type of Affordable Unit | # Units/Bedrooms | Bonus Type | # Bonuses | Total Units/Bedrooms + Bonuses |
|--|--------------------------------|-------------------------|-------------------|------------------|---------------------------------------|
| Gateway Village | Family rental | 27 | Rental | 12 | 39 |
| 3 3-bedroom group homes | Supportive/special needs | 9 | | | 9 |
| TOTALS | | 36 | | 12 | 48 |

Growth Share Parameters

Somerdale has satisfied the applicable Growth Share parameters as follows:

Growth Share Rental Obligation:⁶ 12 Units

| Development/Project Name | Type of Affordable Unit | # Units |
|---------------------------------|--------------------------------|----------------|
| Gateway Village | Family rental | 27 |
| 3 3-bedroom group homes | Supportive/special needs | 9 |
| TOTAL | | 36 |

⁶ Projected Growth Share Rental Obligation: $.25(\text{Projected Growth Share})$ or $.25(48) = 12$ units N.J.A.C. 5:97-3.10(b)3

Growth Share Family Rental Requirement⁷ : 6 Units

| Development/Project Name | Type of Affordable Unit | # Units |
|--------------------------|-------------------------|-----------|
| Gateway Village | Family rental | 27 |
| TOTAL | | 27 |

In accordance with N.J.A.C. 5:97-3.6(a)4, 6 of the 27 rental units are addressing the minimum family rental requirement and are not eligible for rental bonuses.

Growth Share Minimum Family Requirement⁸ : 18 Units

| Development/Project Name | Type of Affordable Unit | # Units |
|--------------------------|-------------------------|-----------|
| Gateway Village | Family rental | 27 |
| TOTAL | | 27 |

Very Low Income Minimum Requirement⁹ : 5 Units

| Development/Project Name | Type of Affordable Unit | # Units |
|--------------------------|--------------------------|----------|
| Gateway Village | Family rental | 3 |
| Group homes | Supportive/special needs | 2 |
| TOTAL | | 5 |

⁷ Projected Growth Share Family Rental Requirement: .5(Projected Growth Share Rental Requirement) or .5(12)= 6 units N.J.A.C. 5:97-3.4(b)

⁸ Projected Growth Share Family Requirement: .5(Units Addressing the Growth Share Obligation) or .5(36)= 18 units N.J.A.C. 5:97-3.9

⁹ Growth Share Very Low Income Requirement: .13(units addressing the growth share built on or after 7/17/08) or .13(36)= 5 units pursuant to P.L.2008, c.46

Bonus Maximum¹⁰: 12 Bonuses

| Development/Project Name | Type of Bonus | # Bonuses |
|---------------------------------|----------------------|------------------|
| Gateway Village | Rental | 12 |
| TOTAL | | 12 |

Actual Growth Share Obligation

The actual growth share obligation will be based on permanent certificates of occupancy issued within the Borough for market-rate residential units and newly constructed or expanded non-residential developments in accordance with Appendix D of N.J.A.C. 5:97. At plan evaluation review pursuant to N.J.A.C. 5:96-10, COAH will compare the actual growth share obligation with the actual number of affordable units constructed.

The New Jersey Department of Community Affairs (NJ DCA) *Construction Reporter* indicates that between January 1, 2004 and September 2008, Somerdale issued certificates of occupancy for 14 housing units and for the non-residential square footage equivalent of 21 jobs, yielding an actual growth share obligation through September 30, 2008, of four affordable units.¹¹

¹⁰ Projected Bonus Maximum: $.25(\text{Projected Growth Share})$ or $.25(48) = 12$ units N.J.A.C. 5:97-3.20

¹¹ The number of residential COs (14) is initially divided by 5 to yield 3 units and the number of jobs (21) is initially divided by 16 to yield 1 unit. Somerdale's total actual growth share is therefore 4 units (*res 3 + non-res 1*). **Note:** This number does not take into account allowable exclusions permitted under N.J.A.C. 5:97-2.4; therefore, the actual growth share may vary.

C. Summary of Plan to Address Fair Share Obligation

REHABILITATION SHARE SUMMARY
Rehabilitation Share: 16 Units

| Program Name | # Units |
|---------------------|----------------|
| Credits | 10 |
| County Program | 6 |
| TOTAL | 16 |

PRIOR ROUND SUMMARY
Prior Round RDP: 4 Units

| | Name of Mechanism | # Units/ Bedrooms | Bonus Type | # Bonuses | Total Units/Bedrooms + Bonuses |
|---------------------------|--------------------------|--------------------------|-------------------|------------------|---------------------------------------|
| Proposed Mechanism | Gateway Village | 3 | Rental | 1 | 4 |
| TOTAL | | | | | 4 |

GROWTH SHARE SUMMARY
Projected Growth Share Obligation: 48 Units

| | Name of Mechanism | # Units/ Bedrooms | Bonus Type | # Bonuses | Total Units/Bedrooms + Bonuses |
|----------------------------|--------------------------|--------------------------|-------------------|------------------|---------------------------------------|
| Proposed Mechanisms | Gateway Village | 27 | Rental | 12 | 39 |
| | 3 3-bedroom group homes | 9 | | | 9 |
| Subtotal | | 36 | | 12 | |
| TOTAL | | | | | 48 |

III. FAIR SHARE DOCUMENT REVIEW

A. Development Fee Ordinance

Somerdale submitted a draft development fee ordinance for COAH's review and approval with its third round petition. COAH approved the development fee ordinance on March 24, 2009.

B. Third Round Spending Plan

Somerdale submitted a third round spending plan for COAH's review and approval with the Borough's third round petition. COAH will review the spending plan in a separate report.

C. Affordable Housing Ordinance/Affordable Housing Administration

Somerdale has submitted a draft affordable housing ordinance that comports with the requirements of the Uniform Housing Affordability Controls (UHAC), N.J.A.C. 5:80-26.1 *et seq.*, which was amended on December 20, 2004. The draft proposed ordinance also includes compliance with the barrier free subcode of the State Uniform Construction Code Act (N.J.S.A. 52:27D-119 *et seq.*) and the accessibility requirements of N.J.S.A. 52:27D-123.15. Somerdale must adopt the draft ordinance within 45 days of COAH's grant of substantive certification and must submit the ordinance to COAH immediately upon adoption.

Somerdale adopted an ordinance establishing the position of a municipal housing liaison on September 7, 2006 (Ordinance 2006:13) and a resolution appointing a municipal housing liaison on September 4, 2008 (Resolution 2008:131).

Somerdale is responsible for the continued re-sale and re-rental of existing affordable units and the initial sale and rental of newly constructed affordable units within the Borough. The developer's agreement states that CIS will be the administrative agent for Gateway Village.

D. Affirmative Marketing Plan

Pursuant to N.J.A.C. 5:97-6, a municipality must submit an affirmative marketing plan for municipally sponsored/100% affordable units prior to marketing of the units. An approved marketing plan must be in place four months before the issuance of Certificates of Occupancy and should be submitted to COAH for approval six months before CO issuance. Somerdale anticipates occupancy of Gateway Village in late 2010. Somerdale has submitted a marketing plan for Gateway Village. The Borough must submit an affirmative marketing plan for the rental component of the rehabilitation program prior to initiating that program.

IV. MONITORING

Somerdale must comply with COAH monitoring requirements as set forth in N.J.A.C. 5:96-11, including reporting the Borough's actual growth pursuant to N.J.A.C. 5:97-2.5. Pursuant to N.J.A.C. 5:96-10.1, COAH will conduct biennial plan evaluations upon substantive certification of Somerdale's Housing Element and Fair Share Plan. The purpose of the plan evaluation is to verify that the construction or provision of affordable housing has been in proportion to the actual residential growth and employment growth in the municipality and to determine that the mechanisms addressing the projected growth share obligation continue to present a realistic opportunity for the creation of affordable housing. If upon any biennial review, the difference between the number of affordable units constructed or provided in Somerdale and the number of units required pursuant to N.J.A.C. 5:97-2.5 results in a prorated production shortage of 10 percent or greater, if Somerdale is not adhering to its implementation schedule pursuant to N.J.A.C. 5:97-3.2(a)4, or if the mechanisms addressing the projected growth share obligation no longer present a realistic opportunity for the creation of affordable housing, the Council may direct the Borough to amend its plan to address the shortfall.

V. RECOMMENDATION

COAH staff recommends that the Council grant Somerdale Borough third round substantive certification. Somerdale must adopt all necessary implementing ordinances within 45 days of the grant of substantive certification and submit certified copies of the adopted ordinances to COAH within seven days of the adoption.